

Office of Policy and Legal Analysis

Date: May 14, 2021

To: Joint Standing Committee on Environment and Natural Resources

From: Dan Tartakoff, Legislative Analyst

Re: LD 1595, An Act To Address Waste Associated with Solar Energy Equipment (O'Connor)

Summary of bill

This bill provides for the stewardship of solar panel waste.

1. It amends the Maine Solar Energy Act to provide for the prevention or minimization of the potential damage from solar panel deterioration and for a tracking system for solar panels.
2. It provides that property with solar panels must be insured to pay the full costs of recycling the solar panels damaged in any form of catastrophe and that these insurance costs be paid first from any distributions of insurance proceeds.
3. It provides for state grant funding for the development of a recycling process that recycles 95% of solar panels and the design and construction of recycling equipment and a recycling facility, using funds from the Regional Greenhouse Gas Initiative Trust Fund and, if needed, funds from the Maine Solid Waste Management Fund, the Maine Solid Waste Diversion Grant Program and the Maine Technology Institute.
4. It provides for penalties for improper disposal of solar energy equipment, for failure to register solar energy equipment and for refusal to permit inspection of solar energy equipment.
5. It replaces the term "solar energy device" with the term "solar energy equipment," which is defined under the Maine Revised Statutes, Title 10, section 1492, subsection 1.
6. It corrects cross-references in the provision of law allowing the Commissioner of Administrative and Financial Services to establish an energy infrastructure benefits fund.
7. It amends the Energy Conservation in Buildings Act provision regarding life-cycle costs to provide that Department of Administrative and Financial Services, Bureau of General Services rules include the costs of recycling in determining the effect of insulation incorporated into a facility design and the effect on solar utilization to the properties of external surfaces and the cost-effectiveness of integrating wind or solar electricity-generating equipment into the design and construction of a facility.

List of legislators/entities that submitted written testimony and/or spoke at the hearing

Proponents – Representative O’Connor, Representative Foster, additional members of the public

Opponents – Coalition for Community Solar Access, Department of Environmental Protection, Governor’s Energy Office, Maine Renewable Energy Association, Product Stewardship Institute, additional members of the public.

Neither for nor against – Maine Municipal Association.

Notes, issues and proposed amendments

1. *Fee concerns* – the bill in section 12 imposes a combined \$125 in fees per solar panel at the time of purchase to fund the administrative and recycling costs of that panel. Multiple bill opponents suggested that this fee would dramatically increase the cost of both residential and commercial solar projects – the Governor’s Energy Office estimated that the fees could in some instances nearly double the cost of a solar panel. Some speakers suggested that this fee increase could effectively kill the solar industry in Maine.

Bill proponents suggested that the fee is in line with other state programs (WA was cited) and that the fee is a realistic estimate of the cost of fully recycling a solar panel, including the proper disposal of certain harmful chemicals contained within the panel.

2. *DEP comments* – suggested that stewardship program proposed in the bill for solar panels is unclear, resource intensive and unnecessarily complex. Noted that solar panel recycling/end of life issues have been identified in a number of past product stewardship reports as a potential candidate for a stewardship program pursuant to Maine’s product stewardship framework law. DEP stated that it will continue to evaluate approaches to incentivize recycling of solar panels and may recommend legislation in the future on this subject.
3. *RGGI funding* – the Governor’s Energy Office noted that the bill proposes in section 14 to create a solar panel recycling program and to construct a solar panel recycling facility and to fund those activities using funds acquired through the Regional Greenhouse Gas Initiative (RGGI), which it suggests is not the typical use of those funds. Per 35-A MRSA §10109(4)(A):

[RGGI funds] must be allocated for measures, investments, loans, technical assistance and arrangements that reduce electricity consumption, increase energy efficiency or reduce greenhouse gas emissions and lower energy costs at commercial or industrial facilities and for investment in measures that lower residential heating energy demand and reduce greenhouse gas emissions.

4. *Necessity of law at present?* – multiple bill opponents suggested that, while this issue will need to be dealt with at some point in the future and is currently under discussion within the industry, it is likely premature at this time given that solar panels have an average lifespan of 25+ years and that 95% of solar panels installed in the US have been installed since 2012. In other words, it may be decades before Maine will have to grapple with large amounts of panels requiring end of life care.

5. *EPR program, PSI comments* – Product Stewardship Institute recommended that, if there is interest in addressing end of life issues with solar panels, the State should consider adopting a true extended producer responsibility (EPR) model where the solar panel manufacturer and not the consumer is responsible for implementing and funding a system to recycle solar panels.

Fiscal information

Not yet available from OFPR.